

Senate File 2323 - Introduced

SENATE FILE 2323

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2291)

(SUCCESSOR TO SSB 3095)

A BILL FOR

1 An Act providing for charitable food donations to food banks
2 and similar organizations, including by providing for
3 appropriations and a tax credit and including applicability
4 provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 SUBCHAPTER I

2 GENERAL

3 Section 1. NEW SECTION. 190B.101 Purpose.

4 The purpose of this chapter is to effectively and
5 efficiently utilize Iowa's abundant supplies of nutritional
6 food to relieve situations of emergency or distress experienced
7 by individuals or families in need who reside in this state,
8 including low-income individuals or families and unemployed
9 individuals or families.

10 Sec. 2. NEW SECTION. 190B.102 Definitions.

11 As used in this chapter, unless the context otherwise
12 requires:

13 1. *"Federal emergency food assistance program"* means the
14 federal emergency food assistance program, as provided in 7
15 C.F.R. pts. 250 and 251.

16 2. *"Food"* means a substance which is used in whole or in
17 part for human consumption in compliance with federal and state
18 standards or requirements including a donated food that meets
19 the requirements of the federal emergency food assistance
20 program.

21 3. *"Iowa emergency feeding organization"* means a public or
22 private nonprofit organization whose mission is compatible with
23 the purpose of this chapter as provided in section 190B.101 and
24 which includes an Iowa food bank or other organization that
25 operates at a congregate nutritional site or that provides
26 home-delivered meals in this state. An Iowa emergency feeding
27 organization includes but is not limited to a food pantry,
28 hunger relief center, or soup kitchen.

29 4. *"Iowa food bank"* means a private nonprofit organization
30 which meets all of the following requirements:

31 a. It receives, holds, and directly or indirectly
32 distributes food principally to Iowa emergency feeding
33 organizations in a manner compatible with the purpose of this
34 chapter as provided in section 190B.101.

35 b. It is an organization described in section 501(c)(3)

1 of the Internal Revenue Code and exempt from taxation under
2 section 501(a) of the Internal Revenue Code.

3 c. It receives contributions that are deductible under
4 section 170 of the Internal Revenue Code.

5 5. "Iowa food bank association" or "association" means an
6 organization that meets all of the following requirements:

7 a. It is organized as a nonprofit corporation under chapter
8 504.

9 b. Its principal office is or has been located in this
10 state.

11 c. It is an organization described in section 501(c)(3)
12 of the Internal Revenue Code and exempt from taxation under
13 section 501(a) of the Internal Revenue Code.

14 d. It receives contributions that are deductible under
15 section 170 of the Internal Revenue Code.

16 e. Its members include Iowa food banks, or affiliations
17 of Iowa food banks, that together serve all counties in this
18 state.

19 SUBCHAPTER II

20 IOWA FOOD-LINK TO FOOD-BANK INITIATIVE

21 Sec. 3. NEW SECTION. 190B.201 Definition.

22 As used in this subchapter, "department" means the department
23 of human services.

24 Sec. 4. NEW SECTION. 190B.202 Department of human services
25 — cooperation with other agencies.

26 1. This subchapter shall be administered by the department
27 of human services.

28 2. The department shall adopt all rules necessary to
29 administer this subchapter.

30 3. Each fiscal year, the department shall award the
31 amount appropriated in section 190B.203, to an Iowa food bank
32 association selected by the department to manage programs
33 associated with an Iowa food-link to food-bank initiative.
34 The department shall execute a contract with the association
35 to provide for the terms and conditions of the program's

1 management. A contract shall not obligate the state to pay
2 moneys for multiple fiscal years.

3 4. The department of agriculture and land stewardship,
4 the department of public health, and the department of
5 inspections and appeals shall cooperate with the department of
6 human services to administer the Iowa food-link to food-bank
7 initiative.

8 Sec. 5. NEW SECTION. 190B.203 Iowa food-link to food-bank
9 initiative — appropriation.

10 1. For the fiscal year beginning July 1, 2012, and ending
11 June 30, 2013, and for each subsequent fiscal year, there
12 is appropriated from the general fund of the state to the
13 department of human services the amount of two million dollars
14 to support an Iowa food-link to food-bank initiative to further
15 the purpose provided in section 190B.101.

16 2. The department of human services shall allocate
17 one million eight hundred thousand dollars of the amount
18 appropriated in subsection 1 to an Iowa food bank association
19 selected by the department as provided in section 190B.201 for
20 purposes of supporting the following programs:

21 a. An Iowa emergency food purchase program. The department
22 shall allocate one million seven hundred thousand dollars to
23 the association for the purchase of food on behalf of an Iowa
24 emergency feeding organization or for the distribution of
25 moneys to Iowa emergency feeding organizations for the purchase
26 of food.

27 (1) A preference shall be provided to the purchase of food
28 produced, processed, or packaged within this state whenever
29 reasonably practicable.

30 (2) The food shall be purchased in a manner that best
31 furthers a significant economic benefit to communities of this
32 state.

33 b. An Iowa emergency food nutritional education program.
34 The department shall allocate one hundred thousand dollars to
35 the association to distribute the moneys to one or more Iowa

1 emergency feeding organizations in order to provide instruction
2 regarding nutrition and promote a lifelong healthy diet.

3 3. The department of human services shall allocate two
4 hundred thousand dollars of the amount appropriated in
5 subsection 1 to an Iowa food bank association selected by the
6 department as provided in section 190B.202 for purposes of
7 administering the programs provided in that section.

8 SUBCHAPTER III

9 FROM FARM TO FOOD DONATION TAX CREDIT

10 Sec. 6. NEW SECTION. 190B.301 Definitions.

11 As used in this subchapter, unless the context otherwise
12 requires:

13 1. "*Agricultural land*" means the same as defined in section
14 425A.2.

15 2. "*Department*" means the department of revenue.

16 3. "*Food commodity*" means any commodity that is derived
17 from an agricultural animal or crop, both as defined in section
18 717A.1, which was produced on agricultural land and which is
19 intended to be used as food.

20 4. "*Tax credit*" means the from farm to food donation tax
21 credit as established in this subchapter.

22 Sec. 7. NEW SECTION. 190B.302 Department of revenue —
23 cooperation with other departments.

24 1. This subchapter shall be administered by the department
25 of revenue.

26 2. The department shall adopt all rules necessary to
27 administer this subchapter.

28 3. The department of agriculture and land stewardship, the
29 department of public health, the department of human services,
30 and the department of inspections and appeals shall cooperate
31 with the department of revenue to administer this subchapter.

32 Sec. 8. NEW SECTION. 190B.303 From farm to food donation
33 tax credit.

34 A from farm to food donation tax credit is allowed against
35 the taxes imposed in chapter 422, divisions II and III, as

1 provided in this subchapter.

2 Sec. 9. NEW SECTION. 190B.304 From farm to food donation
3 tax credit — eligibility.

4 In order to qualify for a from farm to food donation tax
5 credit, all of the following must apply:

6 1. The taxpayer must produce the donated food commodity.

7 2. The taxpayer must transfer title to a food commodity to
8 an Iowa food bank, or an Iowa emergency feeding organization,
9 recognized by the department. The taxpayer shall not receive
10 remuneration for the transfer.

11 3. *a.* The food commodity must be intended for human
12 consumption in its raw or processed state.

13 (1) A food commodity in its raw state for processing
14 includes but is not limited to milk, eggs, vegetables, fruits,
15 nuts, syrup, and honey.

16 (2) A food commodity in its processed state includes but is
17 not limited to dairy products, meat, or poultry products.

18 *b.* A food commodity cannot be damaged or out-of-condition
19 and declared to be unfit for human consumption by a federal,
20 state, or local health official. A food commodity that meets
21 the requirements for donated foods pursuant to the federal
22 emergency food assistance program satisfies this requirement.

23 4. A taxpayer claiming the tax credit shall provide
24 documentation supporting the tax credit claim in a form and
25 manner prescribed by the department by rule.

26 Sec. 10. NEW SECTION. 190B.305 From farm to food donation
27 tax credit — claims filed by individuals who belong to business
28 entities.

29 An individual may claim a from farm to food donation
30 tax credit of a partnership, limited liability company,
31 S corporation, estate, or trust electing to have income
32 taxed directly to the individual. The amount claimed by the
33 individual shall be based upon the pro rata share of the
34 individual's earnings from the partnership, limited liability
35 company, S corporation, estate, or trust.

1 Sec. 11. NEW SECTION. 190B.306 From farm to food donation
2 tax credit — limits on claims.

3 A from farm to food donation tax credit is subject to all of
4 the following limitations:

5 1. The tax credit shall not exceed a qualifying amount for
6 the tax year that the tax credit is claimed. The qualifying
7 amount is the lesser of the following:

8 a. Ten percent of the value of the commodities donated
9 during the tax year for which the credit is claimed. The value
10 of the commodities shall be determined in the same manner as a
11 charitable contribution of food for federal tax purposes under
12 section 170(e)(3)(C) of the Internal Revenue Code.

13 b. Five thousand dollars.

14 2. A tax credit in excess of the taxpayer's liability for
15 the tax year is not refundable but may be credited to the tax
16 liability for the following five years or until depleted,
17 whichever is earlier.

18 3. The amount of the contribution for which the tax credit
19 is claimed shall not be deductible in determining taxable
20 income for state tax purposes.

21 4. A tax credit shall not be carried back to a tax year
22 prior to the tax year in which the taxpayer claims the tax
23 credit.

24 Sec. 12. NEW SECTION. 422.11L From farm to food donation
25 tax credit.

26 The taxes imposed under this division, less the credits
27 allowed under section 422.12, shall be reduced by a from farm
28 to food donation tax credit as allowed under chapter 190B,
29 subchapter III.

30 Sec. 13. Section 422.33, Code Supplement 2011, is amended by
31 adding the following new subsection:

32 NEW SUBSECTION. 29. The taxes imposed under this division
33 shall be reduced by a from farm to food donation tax credit as
34 allowed under chapter 190B, subchapter III.

35 Sec. 14. APPLICABILITY. The provisions of this Act

1 providing for a from farm to food donation tax credit apply to
2 tax years beginning on or after January 1, 2013.

3

EXPLANATION

4 GENERAL. This bill provides for charitable food donations
5 to food banks and other emergency feeding organizations that
6 relieve situations of emergency or distress experienced by
7 individuals or families in need who reside in this state.

8 IOWA FOOD-LINK TO FOOD-BANK INITIATIVE. The bill creates
9 an Iowa food-link to food-bank initiative administered by the
10 department of human services. Each fiscal year, moneys from
11 the general fund are appropriated to the department in order to
12 support several programs managed by an association representing
13 Iowa food banks. The programs include the purchase of
14 food, the improvement of food storage and distribution
15 infrastructure, and instruction regarding nutrition and diet.

16 TAX CREDIT — GENERAL. The bill establishes a from farm
17 to food donation tax credit against individual or corporate
18 income taxes. The tax credit may be claimed by the taxpayer
19 who produces the food. The tax credit is administered by the
20 department of revenue.

21 TAX CREDIT — TAXPAYERS. The bill provides that the
22 taxpayer may claim a tax credit for 10 percent of the value
23 of donated commodities up to \$5,000. The bill requires that
24 the commodities be suitable for human consumption. The bill
25 provides that if the tax credit is claimed by the taxpayer
26 the amount of the contribution is not deductible for state
27 income tax purposes. The bill provides that the tax credit
28 is not refundable but allows a taxpayer to carry forward the
29 tax credit for up to five years. An individual may claim a
30 tax credit of a partnership, limited liability company, S
31 corporation, estate, or trust electing to have income taxed
32 directly to the individual.

33 TAX CREDIT — APPLICABILITY. The tax credit applies to tax
34 years beginning on or after January 1, 2013.